

25 January 2007

**Amiad Filtration Systems Ltd**  
("Amiad" or "the Company")

**TRADING UPDATE**

Amiad, a leading producer and supplier of water filters and filtration systems for the industrial, municipal and the irrigation markets, provides the following trading update based on unaudited results for the year ended 31 December 2006, ahead of the release of its full year audited results on 26 March 2007.

The Company is pleased to report that it saw a recovery in the second half of the year, primarily in the industrial and municipal segments. Whilst good progress was made in all territories, there was particularly good progress made in China and Australia. The Company also delivered its first water treatment project in Russia and initiated sales into India during the second half. As a result, revenues grew by close to 10% in the second half of the year compared with the same period last year.

The Company expects to report full year results in line with market expectations. Revenues for the full year are likely to increase by approximately 5% to just over \$44m compared with \$42.4m in 2005.

Looking forward, sales of Amiad's thread filters have continued to gain traction into the New Year and although still account for a relatively small fraction of the business look set to achieve significant growth in the current year. Additionally, plans to increase the Company's footprint in new territories are well advanced. Despite the impact of continued weakness in the US dollar and high material prices, the Company looks forward to delivering further gradual growth in 2007.

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**Note to Editors:****About Amiad.**

Amiad is a producer and global supplier of water filters and filtration systems used in two key markets, namely the industrial & municipal market and the irrigation market. The Company specialises in automatic self-cleaning filters that require low maintenance and that can be adapted to provide bespoke solutions to a wide range of applications in industries including, inter alia, steel, power, oil and gas, pulp and paper, in addition to a wide variety of other applications in the irrigation market. Amiad currently sells its products worldwide to over 60 countries across the Americas, Africa, Europe, Asia and Australasia.